

## STATE OF CONNECTICUT DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

Public Hearing – March 2, 2012 Environment Committee Testimony Submitted by Commissioner Daniel Esty

## Raised House Bill No. 5118 - AN ACT CONCERNING THE RECLASSIFICATION OF TRASH-TO-ENERGY FACILITIES AS CLASS I RENEWABLE ENERGY SOURCES

Thank you for the opportunity to present testimony regarding Raised House Bill No. 5118 - An Act Concerning the Reclassification of Trash-To-Energy Facilities as Class I Renewable Energy Sources. The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to offer the following testimony. This proposal, which DEEP opposes, would reclassify the electricity generated by trash-to-energy facilities in the state as a Class I renewable energy source, and would require that the revenues derived from such facilities' Class I renewable energy certificates benefit member towns.

DEEP recognizes that the definitions of renewable energy sources (and their respective classifications) have caused much debate since they were first introduced in the electric restructuring in amendments of 1998. Purusant to C.G.S. § 16-1(a)27, Trash-To-Energy facilities are currently Class II resources (along with certain bio-mass facilities and older run-of-river hydropower facilities). In accordance with C.G.S. § 16-1(a)26, Class I is reserved for solar power, wind power, fuel cells, methane gas from landfills, ocean thermal power, wave or tidal power, low emission advanced renewable energy conversion technologies and new run-of-river hydropower facilities, and low emission biomass facilities that use qualifying fuels.

DEEP's concern with this proposal is that it undermines the environmental and public health rationale behind the distinction between Class I and Class II resources. Trash-to-energy plants emit toxic air pollutants such as mercury, cadmium and arsenic. These plants also emit large amounts of nitrogen oxides ( $NO_x$ ), a precursor to ground level ozone – a pollutant for which Connecticut is required to meet federally health-based National Ambient Air Quality Standards (NAAQS). Ozone aggravates existing respiratory diseases such as emphysema, chronic bronchitis, and asthma. Children are among the most at risk from ozone exposure because their respiratory systems are still developing and they breathe more per pound of body weight than adults. Thus, waste-to-energy facilities cannot be classified in the top environmental tier of solutions to our state's energy or waste challenges.

The Department recognizes that the energy generated by in-state Resource Recovery Facilities is a valuable co-benefit to their primary mission of waste reduction. Extracting this energy from waste material is consistent with the state's statutory solid waste management hierarchy. However, the most environmentally preferable means for dealing with municipal solid waste continues to be not producing

waste in the first place. Furthermore, energy derived from resource recovery facilities should not be considered clean or renewable because trash-to-energy plants are neither cost effective nor efficient ways of generating electricity. According to the U.S. Department of Energy, it takes a ton of garbage to produce the same amount of electricity as 500 pounds of coal. And, it costs more to generate electricity at a waste-to-energy plant than it does at a coal, nuclear or hydropower plant. The major advantage of burning waste is that it reduces the volume of material that must ultimately be disposed of in landfills. So, while trash to energy plays an important role in Connecticut's solid waste management, to put it on a par with solar and wind power is not consistent with the state's goal of promoting development of the cleanest energy resources.

The Department is also concerned about the negative impact on the market for renewable energy credits (RECs) that would result if this proposed bill became law. As we have seen in the past, excess of RECs in the market quickly drives down REC prices and undermines the ability of RECs to promote the construction of renewable energy sources.

This proposed bill could also unintentionally lead to lower recycling rates by providing added financial incentives for trash-to-energy plants to produce more electricity by combusting more garbage. This outcome would further frustrate Connecticut's ability to achieve its goal, set forth in the Solid Waste Management Plan, of diverting 58% of the state's waste stream away from trash-to-energy plants and landfills, and into reuse or recycling.

The Department notes two initiatives currently underway that may be appropriate forums to discuss this proposal and the larger issues associated with the current classifications of renewables. The first is Governor Malloy's recently created 11 member body charged with analyzing and developing recommendations to reduce waste, increase recycling, and lower costs for municipalities and consumers for disposing the remaining waste materials. Led by the Governor's Office, the Waste Working Group will include representatives of DEEP, the Department of Public Health, the Office of Policy & Management, and members of the public (such as representatives of municipalities and experts in recycling and materials management, finance and environmental justice).

The second initiative that DEEP would bring to the Committee's attention is the Department's Integrated Resource Plan (IRP) which, in accordance with Public Act 11-80, includes modeling data and discussion of scenarios that modify the current classifications for renewables. A draft IRP has been circulated to the Committee members. Discussions on the draft IRP are on-going, and will not be finalized and submitted to the Public Utilities Regulatory Authority until later this spring.

In conclusion, DEEP opposes classification of existing Trash-To-Energy facilities as Class I Renewable Energy Sources. DEEP recommends that the Committee engage in further evaluation of this proposal in the context of either the Governor's newly established Waste Working Group, or through the IRP process.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact DEEP's legislative liaison, Robert LaFrance at 424-3401 or Robert.LaFrance@ct.gov